

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF DELAWARE

IN THE MATTER OF THE PETITION OF)	
DELAWARE DIVISION OF THE PUBLIC)	
ADVOCATE TO REDUCE THE RATES OF)	
REGULATED UTILITIES AS A RESULT)	PSC DOCKET NO. 17-1240
OF THE TAX CUTS AND JOBS ACT OF)	
2017'S REDUCTION IN CORPORATE)	
INCOME TAXES AND OTHER TAX)	
CHANGES)	
(FILED DECEMBER 27, 2017))	

ORDER NO. 9166

AND NOW, this 16th day of January, 2018, the Delaware Public Service Commission (the "Commission") determines and orders the following:

WHEREAS, this Commission has regulatory responsibility over investor-owned utilities in the State of Delaware, which includes the obligation to ensure just and reasonable rates for consumers; and

WHEREAS, the Tax Cuts and Jobs Act of 2017 ("2017 Tax Act") has made significant changes that will affect rate-regulated utilities in Delaware and may result in unjust and unreasonable rates; and

WHEREAS, the Delaware Division of the Public Advocate has requested the Commission to order all rate-regulated utilities in Delaware to file estimates of their determination of the 2017 Tax Act's effects on their cost of service for the most recent test year available (including new rate schedules) and propose procedures for changing rates to reflect those impacts on or before March 31, 2018; and

WHEREAS, such review may require the Commission to approve new utility rates that reflect the tax law changes and that are just and reasonable under the new circumstances; and

WHEREAS, Delmarva Power & Light Company ("Delmarva") currently has electric and natural gas distribution rate cases pending (Docket Nos. 17-0977 and 17-0978), in which the effects of the 2017 Tax Act will be considered; and

WHEREAS, Delmarva agrees that the 2017 Tax Act should result in reductions from the proposed rate increases in both of Delmarva's pending rate cases; and

WHEREAS, Delmarva agrees that the revenue request, which must be approved or ordered by the Commission in each of Delmarva's pending distribution rate cases, should be reduced by the impact of the 2017 Tax Act and that such reduction can and should be accomplished in the context of its two pending rate cases;

NOW, THEREFORE, IT IS HEREBY ORDERED BY THE AFFIRMATIVE VOTE OF NOT FEWER THAN THREE COMMISSIONERS:

1. That this docket is hereby opened to review the effects of the 2017 Tax Act on all Delaware rate-regulated utilities. The effect of the 2017 Tax Act on Delmarva Power & Light Company will be addressed in its pending rate cases, Docket Nos. 17-0977 and 17-0978, and Delmarva shall not be subject to Ordering Paragraphs 2 and 3.

2. That each rate-regulated utility in Delaware shall file estimates of their determination of the 2017 Tax Act's effects on their cost of service for the most recent test year available (including new rate schedules) and propose procedures for changing rates to reflect those impacts on or before March 31, 2018.

3. That should the Commission determine that a utility's rates require reduction as a result of this review, the Commission will open a new docket for each such utility and establish a procedural schedule for conducting an evidentiary hearing regarding the 2017 Tax Act's impacts on the utility's operations and existing rates.

4. The utilities are hereby placed on notice that the costs of the proceedings will be charged to them under the provisions of 26 Del. C. §114(b) (1).

5. The Commission's Secretary shall promptly serve a copy of this order on each regulated utility and the Division of the Public Advocate.

6. That the Commission reserves the jurisdiction and authority to enter such further Orders in this matter as may be deemed necessary or proper.

BY ORDER OF THE COMMISSION:

Chairman

Commissioner

Commissioner

Commissioner

Commissioner

ATTEST:

Secretary